

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of:

Renee E. Hicks  
License No. 379-76-3621

Enforcement Case No. 04-2669

Respondent

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*Issued and entered  
On April 14 , 2004  
by Linda A. Watters  
Commissioner of Financial and Insurance Services*

**CONSENT ORDER AND STIPULATION**

**A. Findings of fact and conclusions of law**

1. At all pertinent times, Renae E. Hicks (Respondent) was a licensed resident insurance producer, transacting business in the State of Michigan.
2. As a licensed resident producer, Respondent knew or had reason to know that Section 1207(1) of the Michigan Insurance Code (Code) requires a agent to be a fiduciary for all monies collected in that capacity and failure of an agent to remit monies collected in a fiduciary capacity to the person to whom it is owed.
3. Respondent further knew or had reason to know that Section 2003(1) of the Code prohibits producers from engaging in a trade practice that is defined or determined to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance.
4. Respondent further knew or had reason to know that Section 2005(a) prohibits as an unfair act or practice in the business of insurance the misrepresentation of the terms, benefits or conditions of an insurance policy.
5. Respondent further knew or had reason to know that Section 1239(1)(h) of the Code provides that using fraudulent or dishonest practices in the conduct of business is grounds

for revocation of a producer's license.

6. Respondent has failed to comply with the requirements of the Code as set forth below.

### **COUNT I**

7. In February of 2003, XXX, contacted Respondent at the office of Burnham Insurance Agency and requested that Respondent write his automobile coverage and renters insurance through Hastings Mutual Insurance Company. Respondent provided XXX with a Hastings Mutual certificate of no fault for March through September, 2003 (Attachment #2). XXX's application and down payment were remitted to the company but the application did not include the applicant's social security number or driver's license number. Hastings Mutual Insurance Company repeatedly attempted to obtain this information from Respondent but, unable to do so, mailed to the Burnham agency a premium refund check dated 4/14/03 in the amount of \$248, payable to XXX.
8. Respondent held onto XXX's refund check until 7/31/03 at which time she deposited it into the agency account noting the name "XXX" as payer.
9. In July of 2003, in three separate electronic transactions, \$248 uploaded by Respondent to Bristol West Insurance Company for automobile insurance for XXX. No record was found for receipt of any money from XXX, who is the son of the Respondent. Rather, Respondent applied the refund check due Mr. XXX to pay for the auto coverage on her son.
10. XXX incurred a loss of approximately \$4000 during the uncovered period which loss was jointly paid by Hastings and the Burnham agency.
11. By failing to return unearned premium to the insured to whom it was owed, Respondent violated Section 1207(1) of the Code and failed to uphold the standards as required by Section 1239(h). By providing the insured with certificates of no fault coverage when no policy was, in fact, in force, Respondent violated Section 2005(a) of the Code.

### **COUNT II**

12. On May 30, 2002, Citizens Insurance Company issued a refund check in the amount of \$411 payable to XXX.
13. Respondent failed to return the check to Mr. XXX, instead depositing it into the agency account and applying it to policies of other insureds from whom Respondent had collected cash.

14. By failing to return unearned premium to the insured to whom it was owed, Respondent violated Section 1207(1) of the Code and failed to uphold the standards as required by Section 1239(h).

### **COUNT III**

15. On or about May 15, 2003, XXX contacted Respondent to determine how much her automobile insurance premium would increase if she added a Jeep to her existing coverage, to which Respondent answered that her premium would be approximately \$60 more. Coverage for the Jeep was added and the premium increased over \$500. XXX was upset with the amount of the increase in premium.
16. On June 16, 2003, XXX came into the office of Burnham Insurance and gave Respondent a check payable to Secura Insurance Company in the amount of \$417 for his auto coverage. Respondent deposited the check on July 7, 2003 into the agency account. On the same date, 7-7-03, Respondent issued a check to XXX for \$417 as a refund on her auto insurance, which Respondent had vastly under quoted. Mr. XXX's money was never remitted to the company to whom it was owed but rather was paid to XXX.
17. By failing to remit premium held in a fiduciary capacity to the company to whom it was owed, Respondent violated Section 1207(1) of the Code and failed to uphold the standards as required by Section 1239(h).

### **COUNT IV**

18. In August of 2001, Respondent wrote three new property policies on XXX; a policy for homeowners insurance, one providing rental coverage and a seasonal property insurance policy for their Manistee cabin. While there were no problems with the issuance of the homeowners and rental policies, the premium quoted by Respondent for the seasonal property, \$197, was \$30 less than the actual premium when underwritten by Citizens. The additional \$30 in premium was not paid by the insured and a cancellation notice was mailed to both the agency and the insured notifying them that coverage would cancel effective 6/14/02. XXX contacted Respondent about receipt of the cancellation notice and Respondent advised the XXX that their policies were paid in full. No additional premium was paid as the insured's were falsely advised that they had coverage until August 1, 2003.
19. On April 14, 2003, a fire completely destroyed XXX's cabin. On or about May 5, 2003, Mr. XXX contacted Respondent to report the claim on his seasonal dwelling insured for \$40,000. Respondent advised the XXX that coverage was in effect. XXX's provided a fire report to Respondent.

20. On July 25, 2003, Respondent mailed XXX two Citizens claims payment checks, each in the amount of \$5000, each with a different date of loss.
21. On July 31, 2003, XXX contacted the agency office yet again looking for the balance of his claims payments and was advised that an additional \$20,000 had been mailed to him with the balance forthcoming immediately.
22. On August 9, 2003, an undated, unsigned letter, printed on Burnham Agency's letterhead, was faxed to XXX by Respondent, indicating that a second set of checks was enclosed, bringing the total payment to \$20,000, with another \$20,000 forthcoming from Citizens. This fax, which appeared to have been sent by Citizens was, in fact, a fictitious document sent by Respondent.
23. By issuing fraudulent claim checks and forging company letters, Respondent violated Section 1239(h) of the Code.

#### **COUNT V**

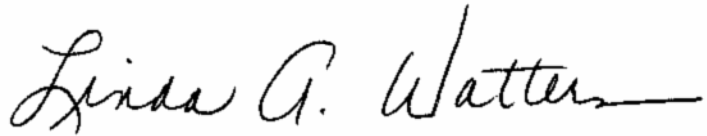
24. On September 12, 2002, XXX sent his check in the amount of \$371 to the Burnham Agency for payment of his Citizen's Insurance Company auto coverage. Respondent held onto the check until 12/23/02, at which time she deposited it into the agency account. From XXX's \$371, Respondent issued an agency check in the amount of \$309.20 to Citizens for automobile coverage for XXX, policy #A872437 and the balance, \$61.80, was paid to Citizens for XXX's auto policy.
25. In January of 2003, Respondent contacted Mr. XXX and advised that she could get him a better auto rate with Frankenmuth. On January 12, 2003, Respondent issued certificates of no fault for the period of January 12, 2003 to July 12, 2003 and the insured sent his check dated 1/29/03, payable to Frankenmuth, to Respondent.
26. Neither the application nor the check were every forwarded to Frankenmuth.
27. By the conduct described above, Respondent violated Section 1207(1) of the Code and Section 2005(a) of the Code, subjecting her licensing to revocation pursuant to Section 1239(h) of the Code.

#### **B. ORDER**

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Sections 1207(1), 2003(1), 20059(a), and 1239(h) of the Code.

2. Respondent's license(s) and authority are hereby revoked.

A handwritten signature in black ink that reads "Linda A. Watters" followed by a horizontal flourish.

Linda A. Watters  
Commissioner